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Robinhood Shareholders Gleeful Over Firm's 'Prediction Market' Push, But State AGs Say It's Illegal Gambling

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Stephen Piepgrass, leader of Troutman Pepper Locke's Regulatory Investigations, Strategy + Enforcement (RISE) Practice Group, was quoted in the November 4, 2025 *Law.com* article, "[Robinhood Shareholders Gleeful Over Firm's 'Prediction Market' Push, But State AGs Say It's Illegal Gambling](#)."

The outcome of the Massachusetts litigation and litigation in other states "will set important precedent for how prediction markets are treated going forward," Troutman Pepper Locke's state attorneys general team [wrote in a note to clients](#) late last month.

"At the center is a novel jurisdictional conflict around whether contracts predicting sports outcomes are a form of regulated commodity trading under exclusive federal oversight, or are a form of sports wagering that states can outlaw or regulate."

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The Troutman Pepper client note say that "so far, regulators and courts are divided. Cases in Nevada and New Jersey suggest a willingness to view Kalshi's markets as federally sanctioned instruments outside state control. A federal court in Maryland, by contrast, saw no meaningful difference between Kalshi's contracts and a bet via a sportsbook, and upheld the state's right to regulate or prohibit those contracts under state gambling laws."

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